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TAGS: [ETRD](#) [EAGR](#) [UK](#) [EU](#)  
SUBJECT: UK OFFICIAL PESSIMISTIC ON TRADE AGENDA

¶1. (SBU) Summary: A UK trade official told Econoff the UK is worried that the Doha Development Agreement round of trade talks will not succeed, which would be a serious blow. He said the U.S. and others need to offer more. On TEC, he said member states, not well briefed by the EU Commission, tended to believe the U.S. got more from the latest round than the EU did, which may have contributed to the subsequent vote against the EU's proposal on U.S. poultry. End Summary.

¶2. (SBU) Econoff reviewed Doha, TEC and related issues with John Souttar (protect) Bilateral Trade Officer at the UK's Department of Business Enterprise and Regulatory Reform (BERR) June 2.

TEC/Poultry -- U.S. Got Too Much  
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¶3. (SBU) The UK supports the EU Trade Commissioner's 'science-based' stance allowing U.S. poultry into the European Union, Souttar said. (Note: In fact, the British abstained in the June 2 vote in the EU Standing Committee on Food Chain and Animal Health, the only member state not to vote against the Commission proposal.) Souttar said Germany bore watching, because of popular pressure on the Merkel government to adopt more protectionist measures. Without German support, the proposal would not go far, Souttar warned. He hoped the U.S. was engaging in quiet talks with key players to come up with an acceptable compromise.

¶4. (SBU) Most member states tended to view the most recent meeting of the TEC as a victory for the U.S., Souttar said. He faulted the Commission for failing to engage with the member states on TEC issues, which made the "pro-U.S." poultry proposal even more unpalatable. He said UK lead on poultry is the Department of the Environment, Farming and Rural Affairs (DEFRA). Souttar reiterated his (and the UK's) longstanding support for the TEC process. If the world's largest traders cannot resolve their differences, he asked, who can?

Doha Could Fail -- U.S. Must Do More  
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¶5. (SBU) Souttar raised and then returned repeatedly to the state of the Doha Development Agenda (DDA) negotiations. He said the UK is very concerned that they would not succeed. He pointedly said the U.S. (among others) needed to offer more. When Econoff reminded him that the U.S. made a substantial offer on agricultural subsidies early in the negotiation, Souttar was dismissive. He said the UK shares the view of many that the U.S. offer on subsidies was "water" (i.e., cutting theoretical subsidies, because actual U.S. subsidies were already much lower.) He noted that the President did not mention the DDA in his May 23 speech marking World Trade Week, focusing instead on bilateral

agreements. Souttar said this omission was interpreted as the U.S. "giving up" on the DDA. The UK, Souttar stressed, very much wanted Doha to succeed. The alternative to progress on trade liberalization, he feared, was not stagnation, but deterioration, as evidenced by recent trade barriers by food exporters.

#### EPAs Not Moving

16. (SBU) Souttar said the EU Economic Partnership Agreements were a "can of worms". He judged that the partner countries have already pocketed the advantages of open access to the EU market, and felt no urgency in offering reciprocal access. Many countries of the South still felt a strong sense of entitlement when dealing with the North. India, for example, still expected the UK to make "amends" for its colonial history by offering asymmetrical trade arrangements benefiting the ex-colony. On the bureaucratic front, Souttar gave mixed grades a year after the merger of trade responsibilities between his Department and that for International Development (DfID). He acknowledged that some duplication had been eliminated, but thought overall DfID had too great a share of the action, thanks to a larger budget. Visit London's Classified Website:  
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